United Nations E/CN.17/2004/10/Add.7

Economic and Social Council

Distr.: General
11 February 2004

Original: English

Commission on Sustainable Development
Twelfth session
14-30 April 2004
Item 3 of the provisional agenda*

Discussion papers submitted by major groups

Note by the Secretariat

Addendum

Contribution submitted by workers and trade unions**

* E/CN.17/2004/1.

** The views and opinions expressed do not necessarily represent those of the United Nations.

04-23720 (E) 110304

Assessing the human side of development

Introduction

Trade unions are pleased to participate in this review session of the Commission on Sustainable Development to assess progress in outcomes of the 2002 World Summit on Sustainable Development in the theme areas of water, sanitation and human settlement. Since 1992, when workers and trade unions were designated as a "major group" in chapter 29 of Agenda 21, they have worked in the Commission on Sustainable Development and other international bodies to draw attention to the "human side" of sustainable development — the so-called "social dimension". After being long given second place compared to economic and environmental concerns, this "pillar" was fully highlighted in the World Summit Plan of Implementation and Declaration and Agenda 21, which now provide a solid basis upon which to advance social priorities, along with environmental and economic ones.

Trade unions have analysed outcomes of the World Summit to identify priorities for workers and trade unions. We have also studied country reports to the Commission on Sustainable Development and other bodies, worker experience in countries and enterprises, developments in the corporate social responsibility debate, and the record of international organizations and instruments. That review substantiates the general perception of workers, their organizations and communities, that the last few years have seen a retreat from the World Summit vision of a better, more sustainable world. Much more must be done to eliminate poverty, launch sustainable production, create more and better jobs, and improve the lives of working women and men. Everyone must take responsibility for this challenge.

A. Reviewing progress where people work and live

1. Nowhere are the challenges to social development clearer than in the Commission on Sustainable Development 2004 theme areas of water, sanitation and human settlement. All three are crucial to development and affect the daily lives of workers and their communities. For this reason, we ask that the following issues form part of the focus for this Commission on Sustainable Development review process.

1. The extent to which the social dimension is being integrated into the implementation plans of governments and players in civil society

2. The World Summit Plan of Implementation and Declaration, and Agenda 21 all envisage a high level and balanced integration of economic, social and environmental dimensions of development. Their emphasis on poverty eradication focuses on measures to address the underlying and structural causes of poverty, unemployment and social exclusion and the insecurity they produce. Sustainable development requires a change in patterns of production and consumption. As workplaces are central to these patterns, they are a logical focus for action on sustainable development everywhere, especially as concerns the "human dimension".

2. Issues in the theme areas that link workplace with community

3. The thematic areas require us to consider links between workplace and community. The conservation and contamination of water supply and the high rates of disease near some industrial sites illustrate these links. Sanitation and waste treatment link workplace and public health, and we have ample evidence that a lack of attention to one threatens the other. Likewise, few doubt that transportation problems in modern cities relate directly to work, or that change in this area can be enhanced through well-planned workplace programmes. Finally, with continued migration of the world's population to urban centres, housing is emerging as a problem directly connected to poverty and employment status. Since so many of the topics reviewed at the current session of the Commission relate to work and the workplace, attention must be given to workplace-based programmes that can make all parties more responsible producers, consumers and agents of change, with a positive impact on industrial performance, as well as on domestic consumption patterns.

3. The relationship of theme areas to economic and social exclusion

4. The most pressing problems of water, sanitation and human settlements relate to poverty and health. Exclusion of both are growing in the world today. Today, 2.7 billion people survive on less than $2 a day and hundreds of millions are either unemployed or underemployed. Without a response to this fact, little can be done to change unsustainable patterns of development. In this regard, trade unions have championed the close link that exists between decent work and poverty eradication as advanced in *Working Out of Poverty*, the report of the ILO Director-General to the International Labour Conference at its ninety-first session, held in 2003.

4. The experience of vulnerable groups in the three theme areas

5. Trade and investment policies, increased competition, and fiscal and monetary austerity policies continue to penalize the most vulnerable groups, aggravating problems in water, sanitation and human settlement. This review cannot ignore the "dark side" of globalization: i.e., the majority of women who occupy the bottom rungs of the job ladder; the 250 million children who are forced to work because of deepening family and community poverty and government inaction; the people with disabilities who, if they have jobs at all, are often confined to low-paid and unrewarding work; or the too-old or too-young who are often excluded from work and social protection. This Commission on Sustainable Development review must also consider the reality faced by workers in specific sectors, e.g., the millions of low-wage and unwaged agricultural workers, those in the informal economy, and the 120 million migrant workers who daily encounter exclusion, racism, underemployment, and violence.

5. The role of labour practices in implementation of the outcomes of the World Summit

6. In recognizing the role that income-producing employment must play in a sustainable development agenda, the Commission, at its current session, must take on the point made in the ILO *Working Out of Poverty* report, that decent work can pave the way for sustainable development. Two of the clearest indicators are the adoption of core labour standards and of "just transition" programmes for workers

threatened by change. Not only should such indicators be developed and accepted, they should also become the basis of country reports, as well as those of business, industry, not-for-profit and public sector organizations.

6. The effects of cutbacks and commercialization of essential public services

7. As well as being crucial to economic development, water, sanitation and human settlement are services that are vital to the daily lives of all people, and as such, have clear implications for poverty and exclusion. Unfortunately, developments since the World Summit continue to compromise the ability and willingness of Governments to provide these services. Privatization and deregulation continue to replace public control and provision with private control. The review at this session of the Commission must therefore include an objective review of the effects of these developments, and the extent to which countries are providing services in water, sanitation and human settlement in a manner consistent with the outcomes of the World Summit.

7. Governance issues affecting workplace and community

8. Sustainable development relies on democratic forms of governance. In the workplace, this implies worker representation in decision-making and implementation, and in the community, it means local control over development by affected groups and individuals. Assessment of workplace and community democracy requires suitable development of indicators for transparency of decision-making, and access to information. These should measure the degree of public control of such areas as water, or such public services as education and health care.

8. Progress on cross-cutting themes

9. Cross-cutting themes which closely affect the three priority areas for the twelfth session of the Commission include:

- International harmonization of systems for classifying, handling and regulating substances
- Capacity-building, including education and training
- Gender, age and sectoral considerations
- Technology innovation and transfer
- Policies, practices and agreements on trade and finance.

9. The contribution of trade unions to this review process

10. When Secretary-General Kofi Annan launched the Global Compact in July 2000, he called for engagement and dialogue among the three major industrial partners. "Labour unions", he said, "can mobilize the workforce — for after all, companies are not composed only of their executives." He drew attention to the fact that workers and trade unions are part of industry as well as civil society; and highlighted the need to move beyond discussion to practical measures. Building cooperation calls for a much better understanding of trade unions and their capacity for implementing sustainable development. The economic and social restructuring of the last few years has faced many workers and their communities with contradictory survival choices — between threats to their way of life and planet, and short-term

survival needs for themselves, their families and communities. Trade unions can assist in this review to ensure that policy decisions accommodate both sets of survival needs. We have learned that what is on the table is usually related directly to the people who are around it.

B. Social responsibility: keeping records

11. Embracing the social dimension implies making observations, keeping track and conducting evaluations on progress at all levels, including the workplace. Trade unions offer their summary evaluation of: (a) corporate social responsibility; (b) trade union social responsibility; and (c) government social responsibility. The state of international organizations, instruments and cooperation for sustainable development is also discussed.

Review areas

1. Trade unions study trends in corporate social responsibility

12. Since 1992, a large number of companies have, either unilaterally or through various business or "multi-stakeholder" organizations, adopted codes and guidelines concerning corporate social responsibility and have participated in various corporate social responsibility initiatives. In view of the tremendous growth that has occurred in this area, trade unions are conducting a study of standards of social responsibility called *Corporate Social Responsibility: Results Matter*, in cooperation with academics and non-governmental organizations (NGOs).

13. While corporate social responsibility has attracted scepticism and pessimism, some of these initiatives do refer to significant aspects of communication and cooperation that may have been ignored by the Commission on Sustainable Development. In some cases employer organizations have endorsed standards in areas of decent labour practices and freedom of association that certain Governments have been unwilling to adopt. This is especially true of the Framework Agreements that have been negotiated by Global Union Federations with some of the world's largest multinational corporations. At the current session of the Commission, trade unions will circulate a summary of their findings.

14. A major concern is that corporate social responsibility is increasingly becoming a substitute for government action, as demonstrated by the growing emphasis on corporate social responsibility initiatives. Trade unions favour instruments such as the ILO *Tripartite Declaration of Principles Concerning Multinational Enterprises*, and the OECD *Guidelines for Multinational Enterprises*, because they are legitimate sources for expectations concerning multinational corporations rather than being set by the companies themselves. Furthermore, trade unions continue to insist that codes of labour practice for use in supply chains employ such internationally recognized standards as core ILO Conventions, as too many avoid references to workers' right to organize and join trade unions. Collective bargaining is so closely linked to ethical standards in employment that exploitation and abuse of workers can very often be linked to an absence of independent trade unions.

15. *Trade unions study corporate social responsibility*. This project examines standards, methodology and other criteria for assessing partnerships for sustainable

development as called for by the World Summit. Its focus is on the social dimension, and in particular, on fair labour practices. It includes: (a) a database of the growing body of codes of conduct and indices of corporate social responsibility to show areas of agreement, as well as shortcomings and gaps; (b) qualitative research into selected organizations to illustrate progress; and (c) recommendations for corporate social responsibility initiatives and partnerships.

2. *Trade union social responsibility links workplace to community*

(a) A healthy workplace in a healthy community

16. There are close links between healthy workplaces and sustainable communities that workers address through work site occupational health and safety committees and in collective bargaining. The link to water use and contamination is one such link, as workers raise concerns about access to clean, affordable water, and the likelihood of contamination of water sources at work, home and in the community. They are likewise addressing sanitation as a workplace and public health issue. Workers' health is often compromised in the workplace with a resulting growth in public health costs. While agricultural and migrant workers are often denied the most basic facilities, this problem affects almost every sector.

17. *International Transport Workers' Federation survey reveals a shocking lack of port facilities for seafarers.* In its global survey, the International Transport Workers' Federation (Seafarers' Trust) found that most of the ports visited had no welfare services at all, although several made claims to that effect in port directories.

18. Sustainable housing is crucial to social inclusion of workers. Trade unions are responding to a shocking lack of decent housing that exists wherever development takes place without regard to social implications. They have also been part of initiatives to tackle the difficult climate change issues involved.

19. *German Alliance for "Work and Environment" contributes to National Energy Plan.* German unions are collaborating with government, environmental NGOs and employers' federations in a programme to renovate buildings for climate protection goals, while creating sustainable jobs. Thousands of new jobs are anticipated in the construction, heating, sanitary and air-conditioning sectors, as well as in building services. (See *A study of the project, The renovation of a building — A chance for climate protection and the labour market* by Greenpeace Germany and IG BAU.)

20. In a growing number of work sites throughout the world, trade unions are addressing transportation problems that link workplace and community, because work-related travel is a major contributor to unsustainable patterns of transportation and human settlement. These are, furthermore, closely related to community planning and public services.

21. *Spanish trade unions lead energy transformation initiatives.* The Spanish unions, Union General de Trabajadores (UGT) and Comisiones Obreras (CC OO) have embraced a plan by European unions to work with governments, trade unions, NGOs and consumers and to break the link between economic growth and environmental degradation by guaranteeing access to energy and converting jobs into quality employment. They have collaborated with national and regional councils to initiate activities to substitute fossil fuel with renewable energy

resources through campaigns, documents, and educational activities. These have been supplemented by initiatives involving works councils, including a campaign, Work Council Commitment to Mitigate Climate Change, involving 170 work councils in efforts to reduce energy consumption and greenhouse gas (GHG) emissions, and an agreement with 45 town councils, trade unions, employer associations, universities and the Transport Authority to rationalize access to 700 workplaces with more than 80,000 workers, as well as numerous agreements for single companies and workplaces. (See: N. Hernando, *Spanish Trade Union Initiatives on Energy and Climate Change*, CC.OO, UGT-E, Milan, December 2003.)

22. Trade unions are also addressing approaches to the production and inappropriate disposal of vast quantities of waste, which signal unsustainable patterns of production and consumption. Waste quantities continue to increase, with two thirds of the total municipal waste generated in Europe still landfilled, and waste recycling rates increase only slowly. Waste management is a labour intensive industry, accounting for a high proportion of jobs in the environmental sector. It has also seen some of the most intensive pressure to privatize, with some of the world's largest multinationals involved. The public sector providers continue to play an important role, however. (See: S. Davies, *European waste management*, PSIRU, March 2003.) Resource use and waste are areas that are well-suited to workplace assessments as promoted by trade unions. Trade unions will be featuring the "Workplace Checker" at the current session of the Commission on Sustainable Development, which has been developed by the Swedish professional workers' trade union, the TCO Development Unit. It is accessed online by workers, with results collected and reported immediately as the basis for actions to improve the workplace. After completing the survey, respondents can access a chart that shows how their workplace ranks against a defined norm.

(b) Combating poverty and social exclusion with decent employment

23. Too many economic development strategies in a globalized economy depend upon the violation of core labour standards, a fact which has still to be addressed in international trade agreements. Human and workers' rights violations attract little interest, while relatively minor disputes over property rights generate economic effects and penalties. At the current session of the Commission the review must examine the "human" effects of inadequate regulation of financial markets, structural adjustment programmes, unpayable external debt (often inherited), and policies of central banks and international financial institutions. It must likewise evaluate the effect of government policies that entrust the areas of water, sanitation and human settlement to the "invisible hand of the market". Trade unions do not accept the argument that national sovereignty provides a mandate to violate human rights or deny basic services. Neither do we accept the defeatist notion that globalization has robbed Governments of the ability to protect citizens against violations of workers' rights or denial of basic public services. Governments can and must take action.

24. *The International Federation of Building and Wood Workers (IFBWW) launches Save-a-Child Labourer Campaign*. In 2003, the IFBWW launched its non-profit company CHILD LEARN (Child Labour Elimination Resource Network) in Agra, India, in its vision of a world free of child labour, where every child has access to decent schooling and children and workers' rights are respected. Some

2,200 children are currently in 15 child labour schools in the Indian states of Bihar, Punjab and Uttar Pradesh that IFBWW opened with the support of the Construction, Forestry, Mining and Energy Union (CFMEU) (Australia), Bat-Kartel (Denmark), FNV and FNV BOUW (Netherlands) and CLC (Canada). Local union campaigns highlighted the plight of child labourers and the lack of schools. The IFBWW seeks support for its schools by asking for sponsorship of a child of 50 Swiss francs per year, through the CHILD LEARN fund. It has already received contrib itions from many parts of the world. (Sponsorships or enquiries can be sent to: IFBWW — Coop Bank, 6-8 Place Longemalle, 1211 Genève 3, Switzerland.)

(c) Promoting social responsibility through workplace agreements

25. Working with employers and community partners, trade unions have developed a healthy tradition of dialogue, cooperation, and negotiation at the local, national and international levels, with joint work site health and safety committees and collective bargaining providing the two major vehicles for change. In addition, trade unions have been coming together by industry and occupation into global union federations for more than 100 years. Recently, they have concluded "framework agreements" that extend workplace gains in one country to others. In some cases, these have been stimulated by Global Compact discussions.

26. One of the first framework agreements was signed in 1988 by the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) with Danone, a French multinational in the food sector. A recent revision allowed Danone to reduce its capacity, but protects the employment of workers, thus providing a model for addressing restructuring at a global level. Since then, many more global agreements have been signed by the ITF, IFBWW, the International Textile, Garment and Leather Workers' Federation (ITGLWF) and most of the other global union federations, addressing union rights, health and safety, vocational training, labour relations, employment trends, and community relations. Recently, the International Chemical, Energy, and Mining Federation (ICEM) concluded agreements in the mining industry that secure the right of the trade union to monitor the companies' global performance and address breaches with corporate headquarters — an important departure from most company codes of conduct.

27. The growth of international codes of labour practice is one of several trade union responses to the reluctance of Governments to implement core labour standards in the face of globalization. In December 1997, the ICFTU Executive Board adopted a *Basic Code of Conduct covering Labour Practices*, which provides guidelines on workers' rights to assist trade unions, NGOs and companies in negotiations or campaigns involving codes of conduct.

Table 1
Framework agreements: transnational companies and global union federations

Company	*Employees*	*Country*	*Branch*	*GUF*	*Year*
Danone	100 000	France	Food Processing	IUF	1998
Accor	147 000	France	Hotels	IUF	1995
IKEA	70 000	Sweden	Furniture	IFBWW	1998
Statoil	16 000	Norway	Oil industry	ICEM	1998
FaberCastell	6 000	Germany	Office material	IFBWW	1999
Freudenberg	27 500	Germany	Chemicals	ICEM	2000
Hochtief	37 000	Germany	Construction	IFBWW	2000
Triumph	38 000	Germany	Textile industry	ITGLWF	2001
Merloni	20 000	Italy	Metal industry	IMF	2002
Endesa	13 600	Spain	Power industry	ICEM	2002
Ballast Nedam	7 800	Netherlands	Construction	IFBWW	2002
Carrefour	383 000	France	Retail industry	UNI	2001
Chiquita	26 000	USA	Agriculture	IUF	2001
OTE Telecom	18 500	Greece	Telecommunication	UNI	2001
Skanska	79 000	Sweden	Construction	IFBWW	2001
Telefonica	161 500	Spain	Telecommunication	UNI	2001
Fonterra	20 000	New Zealand	Dairy industry	IUF	2002
Volkswagen	325 000	Germany	Automotive industry	IMF	2002
Norske Skog	11 000	Norway	Paper	ICEM	2002
AngloGold	64 900	South Africa	Mining	ICEM	2002
Daim/Chrysler	372 500	Germany	Automotive industry	IMF	2002
Eni	70 000	Italy	Energy	ICEM	2002
Leoni	18 000	Germany	Electronics/automative	IMF	2003
ISS	280 000	Denmark	Building cleaning/ maintenance	UNI	2003
GEA	14 000	Germany	Engineering	IMF	2003
SKF	39 000	Sweden	Ball bearings	IMF	2003
Rheinmetall	25 950	Germany	Defence/automotive/ electronics	IMF	2003

ICEM: International Federation of Chemical, Energy, Mine and General Workers Unions;
IFBWW: International Federation of Building and Woodworkers;
IUF: International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations;
IMF: International Metalworkers' Federation;
UNI: Union Network International.
Source: ©Robert Steiert (IMF)/Marion Hellmann (IFBWW), 2003.

(d) Linking occupational health and safety to sustainable development

28. The World Summit link between sustainable development and worker health and safety has led to a ICFTU-Trade Union Advisory Committee (TUAC)/ILO/UNEP process to engage trade unions and their members in a process that would translate their long tradition and capacity in health and safety into a model for sustainable development at the workplace. It has been facilitated by an agreement (memorandum of understanding) with UNEP to explore and develop a number of tools, including a handbook to educate union members on the link between a healthy workplace and sustainable development. It will explain workplace assessments, give clear definitions for terminology and show how trade unions can "walk" through a process to assess what they are doing and how to link this to sustainable development. The process is overseen by a steering group composed of ICFTU/TUAC, ILO, UNEP and trade union representatives from Asia, Latin America and Africa, who communicate through an electronic forum. Based on a theme conference on occupational health organized by the Occupational Health, Safety and Environment Institute in Bangkok, in December 2003, and the results of a questionnaire, regional workshops are contemplated for Africa and Latin America, with the aim of developing regional approaches to workplace actions and assessment tools for sustainable development, and to refine this process for wider application.

29. *Workplace actions and assessment*. Agenda 21 and the World Summit provided a framework for joint employee-employer assessments that could potentially involve millions of workers in concrete changes to both production and consumption patterns in the workplace, as well as personal and community life, and win hearts and minds of the public for costly changes. Workplace assessments examine workplace performance according to agreed environmental, occupational and social criteria. The results can lead to joint plans of action to identify and resolve problems ranging from the simple (e.g., workplace water, energy and resources usage) to the complex (e.g., technology, employment issues or matters related to social security, and public health). They are effective because they build on a tradition in which employers already work with trade unions in work site committees to establish joint targets, design and administer programmes, monitor the workplace, keep records and report progress.

3. Progress on government social responsibility

30. Trade unions are currently engaged in a study on the record of governments on the "human side" of sustainable development, based on such sources as country reports to intergovernmental organizations. Our findings indicate the following priorities for the review at the current session of the Commission.

(a) A failure by governments to protect worker and trade union rights

31. Even though they are an essential part of democratic society, trade unions are being assaulted today in even the most democratic of countries. The ICFTU's *Annual Survey on Violation of Trade Union Rights*, based on a country-by-country review of how trade union rights are respected or abused, contains clear evidence that the stain of anti-union repression is spreading. More than anything else, the latest survey illustrates the devastating effects of a crude free market on workers' rights and shows how the map of trade union rights violations is expanding in size.

These frightening trends must be addressed in the current session, and more importantly, by member States.

32. *Violations of trade union rights reported in ICFTU Survey*. The ICFTU's *Annual Survey on Violations of Trade Union Rights* covers 133 countries and territories across the world. It notes 213 cases of murdered or "disappeared" trade unionists in 2002, with a terrifying record number of 184 assassinations, 27 attempted assassinations and 189 death threats in Colombia alone. Nearly 3,000 trade unionists were arrested worldwide, 1,000 injured and 30,000 sacked. The survey identifies the stubborn anti-democratic stance of certain States and fierce competition in the global economy as trends that can only be combated by international trade union solidarity and appropriate government action (see: http://www.icftu.org/focus.asp?Issue=tur&andLanguage=EN). Local unions are particularly vulnerable to acts of employer discrimination. Legitimate protests of economic crises are often harshly repressed, at the same time as efforts to engage in meaningful dialogue with governments or employers prove futile. Today, export processing zones present a symbol of hostility towards trade unions, even in democratic countries. According to the last ICFTU report, there were some 850 such zones at last count, employing nearly 30 million workers, primarily women in assembly plants producing household appliances, furniture and textiles. In most export processing zones trade unions are unwelcome and are often banned outright, which takes a visible toll on working conditions, environmental damage and living standards, especially in the areas of water, sanitation, waste disposal, and housing.

33. *International mission condemns abuse of trade union rights in export processing zones*. A Global Trade Union mission to the Dominican Republic in advance of a WTO Ministerial Meeting in September 2003 condemned conditions in export processing zones and demanded action by the WTO to halt trade-related worker exploitation. The mission cited abusive working conditions, brutal repression of attempts to unionize, use of thugs to terrorize union members, employer provocation of conflict, union-busting by exporters' associations, and complacency of governments (see http://www.icftu.org/).

34. Child labour continues in spite of universal condemnation, as unscrupulous company owners continue to use the cheapest form of labour available to cut production costs, even at the risk of endangering the lives of children who work the longest hours and are the worst paid of all workers. Some 250 million children from 5 to 14 years old currently toil in developing countries, nearly half of whom work on a full-time basis. An estimated 171 million of them work in hazardous conditions, with adverse effects on their safety, health (physical/mental) and moral development. Hazards also derive from excessive workloads, physical conditions, and duration or hours of work. In addition to the number of children in hazardous work defined by ILO Conventions Nos. 138 and 182, it is estimated that about 8.4 million children are trapped in the worst forms of child labour as defined in ILO Convention No. 182, including some 5.7 million in forced and bonded labour (see: http://www.icftu.org/focus.asp?Issue=childlabour&Language=EN).

(b) A poor record on worker and trade union rights

35. Trade unions can expect to face severe repression in dictatorships. However, even in democratic countries, they are facing increasingly unfriendly governments as competition to win world markets is undermining collective bargaining, the most

basic tool for trade union action. ILO Core Labour Standards define a range of human rights at work that are universally applicable regardless of conditions or stage of national development. The World Summit agreed that these should be incorporated into all planning and implementation, with special attention to rules governing trade, investment and economic development. Unfortunately, our research shows that countries have been slow to ratify these instruments, and even slower to actively enforce them.

36. This must be an area for review at the 2004 session of the Commission. During this session, trade unions will circulate our analysis of ratification of key ILO Conventions, as well as trade union country-by-country Sustainable Development Profiles to the Commission. These will demonstrate that regard for labour rights is scanty and uneven. Reluctance to enforce these standards appears to be based on a concern over its effect on investment and development, at the same time as we have seen a massive shift of production, particularly in the textile and garment industry, to parts of the world where labour practices are often deplorable. Violations of workers' rights in emerging supply chains, including child labour and forced labour, are increasingly coming to light, a trend that must be addressed at this session.

(c) A "business orientation" in government social responsibility

37. The drafting and application of standards is a primary function of government and its institutions. There are qualitative differences between governments and private enterprises that are crucial to the type of governance that will make sustainable development a reality. Corporate social responsibility stresses the voluntary nature of business responsibility, management initiatives and systems, and the responsibility of management to identify and work with "stakeholders". Not only do "monitoring" and "verification" lose much of their meaning in such a context; the concept of "stakeholder" itself often obscures the true nature of relationship in an enterprise. Workers are more than stakeholders in the workplace! Events have shown that sound legislation, backed by a strong regulatory regime, is the only guarantee of minimum conditions and rights in the workplace and broader society. Proper enforcement mechanisms, training for staff, and political will are needed to make them work. At this session, the Commission must review these changes in governance, particularly as they affect worker and citizen participation.

4 Assessing progress on access and control of vital services

38. The provision of services associated with water, sanitation and human settlement must form part of the Commission's current review of poverty and exclusion. Recent trends towards liberalization, deregulation and privatization in recent years, and in particular, the resort to public-private partnerships has increasingly transferred many government roles to business, along with the social responsibility associated with it. Two decades of experience have clearly revealed the costs and dangers in this approach, and shown why Governments must play a leading role in guaranteeing services that are key to sustainable development and a decent life for all.

(a) "Public/private partnerships": One "P" too many!

39. There are threats to the most basic of human services in water, sanitation and human settlement. Many national and subnational governments are joining with

international institutions to allow public services to be sold, or transferred to corporations. Since 1992, the world has seen a wave of privatization and deregulation that has had the effect of replacing a large measure of public control of services with private control. This has particularly drastic effects for lower income populations and vulnerable groups, as access to or influence on basic services and resources become more closely related to wealth. This erosion of government's role has the direct effect of undermining the link between democracy and equity — creating both a "governance gap" and a "democracy deficit". Even where vestiges of public regulation and oversight have remained, "de facto deregulation" occurs because of understaffed, under-resourced services, or worse yet, because of corrupt or illegitimate political interference (see: http://www.world-psi.org).

(b) Privatization and deregulation of services have not fulfilled their promises

40. Instead of relieving the strain on government, or resulting in more affordable, accessible service delivery, the result where water, sanitation and waste disposal and other services related to human health and well-being have been deregulated or privatized has been greater income inequality, less access and increased social and environmental damage. Local governments have been particularly hard-hit, as the trend has left them with the responsibility, but not the necessary financial resources — leading to further degradation of services, and reinforcing the case for privatization. It has also led to a de-skilling of government departments, which lose their capacity to regulate, let alone offer the services.

41. *Public Services International leads global anti-privatization campaign.* The Public Services International is a global union federation of 20 million workers in 150 countries, many of whom work in public water and sanitation authorities. Together with its national affiliates, the Public Services International has taken the lead with an information and organizational campaign to build awareness, expose the fallacies associated with privatization, and organize and lobby Governments to retain public ownership and control of these human services. In these initiatives, they have partnered with hundreds of community, research groups and environmentalists in cities and countries around the world.

(c) The case against privatization of water and other vital human services

42. Trade unions believe that there is a contradiction in boosting profits from such vital services as water, energy, health and education, especially where these profits are withdrawn to another country and individual shareholders. We therefore urge the Commission at its current session to review the extent and effects of privatization, including the role of the international financial institutions, in promoting an economic model oriented towards private sector and market forces.

43. As most of these services constitute a natural monopoly, competition does not really exist. Water users, for example, are a captive market without any choice in the purchase of water (70 per cent of private water contracts are delivered by the two largest French water corporations, Suez and Vivendi). Even so-called "success stories" tend to hide a multitude of negative results, e.g., consortiums that raise tariffs because of currency-exchange fluctuations, or stop paying concession fees to put pressure on a public authority; major increases in "non-accountable water" under private management; lack of formal monitoring of new extensions of service, etc.

44. *Public Services International Research Unit yields leading edge research on services.* A Public Services International partnership with researchers in Greenwich University has yielded a wealth of in-depth studies into public sector issues. The Research Unit produces dozens of studies annually, e.g., Water finance: a discussion note (January 2004); Resistance and alternatives to energy privatization (December 2003); Problems with private water concessions: a review of experience (November 2003); A critique of the EC green paper on services of general interest (September 2003); Public solutions for private problems: responding to the shortfall in water infrastructure investment (September 2003); Water privatization and restructuring in countries of Central and Eastern Europe and newly independent States 2002 (April 2003). (See http://www.psiru.org/reportsindex.asp.)

45. In its review, the Commission will see that more than 90 per cent of water services are currently being delivered by the public sector, a fact that is too often obscured. It will also see the record of the international financial institutions vis-à-vis public sector providers, and ask why capital markets have not been more creative in devising mechanisms for financing. Any review of water and other vital human services must also deal with pricing and cost recovery, recognizing that subsidies are flawed instruments and do not reach many of their target groups under a profit-based pricing regime. For-profit delivery means that the final risk is borne by consumers and their communities. The role of democracy, accountability, transparency, participation and inclusiveness in delivery of services such as water must be taken into account, as must the value of forming partnerships between cash-strapped governments, other public bodies and workers.

5. Assessing progress on international cooperation

(a) The changing role of international organizations and instruments

46. Given the increasingly globalized state of our economy, international standard-setting and regulation of business are necessary conditions of good governance. However, many Governments and governmental institutions are failing to accept this role, and are sidelined as responsibility is increasingly transferred to private interests. Trade unions believe that the role of international bodies and instruments has never been more important. However, too many of today's standards are based on the assumption that, while having binding enforceable rules to protect commerce is considered quite legitimate, a corresponding approach to protecting basic human rights, including workers' rights is all too often relegated to loose measures with little enforcement. In this regard, trade unions favour international agreements that involve national Governments directly; e.g., the ILO Tripartite Declaration, and the OECD Guidelines for Multinational Enterprises. Unfortunately, these suffer from a lack of support from Governments.

(b) A lack of emphasis on the social dimension in international initiatives

47. While the World Summit provided a firm basis for the social dimension, some international instruments and organizations continue to subordinate social concerns to economic and environmental issues. Trade unions have identified two initiatives that are particularly illustrative of this point.

48. *Trade unions call on GEF to incorporate social outcomes of the World Summit.* Further replenishments of the Global Environment Facility (GEF) must more clearly

incorporate a commitment to integrate social objectives within its programmes and to work with those institutions that are involved in them. This could be enabled through institutional linkages with the ILO, the intergovernmental body with competence in the social dimension, as well as with UNEP, WHO and others. Employment, workplace strategies and social implementation should be placed on the GEF's radar screen, for research and development into social and employment impacts of change and integrated planning (see http://www.icftu.org/displaydocument.asp?Index=991216411&Language=EN).

(c) Lack of an appropriate development mandate for the ILO

49. Nowhere is the lack of attention to the social side of sustainable development more evident than when it comes to the International Labour Organization (ILO). Established in 1919 to deal with labour and social issues, this tripartite organization has not been assigned the lead role it should be given in this area, as contemplated in the Declaration of Philadelphia (1949). As a minimum, the Commission's text should recognize all those human rights that have been identified by the ILO as constituting fundamental rights at work, as summarized in the Declaration on Fundamental Principles and Rights at Work. All ILO member States are obliged to respect, promote and realize the principles concerning these fundamental rights and they are essential to any concept of sustainable development. This Commission review must address this long-standing oversight, and give the ILO a far stronger mandate to deal with the social side of sustainable development.

(d) A crisis in international governance

50. Too much standard-setting for the social dimension remains voluntary, lacking in support and legitimacy, consisting of a myriad of standards, procedures, programmes and projects with little consistency in purpose, reporting mechanism or evaluation. While unilateral, voluntary action can play a role in acceptance and adaptation of standards, it is not an adequate substitute for legally binding requirements, and certainly cannot, by itself, address the social consequences of a globalized market. Furthermore, some features of international agreements and instruments render implementation and verification impractical in the face of increasingly elaborate supply and value chains; hence the growth of a corporate social responsibility industry of private labour inspectors and social auditors. Finally, too many instruments are optional, leaving companies free to decide their responsibilities to society.

51. The result is a vacuum in many areas, particularly in monitoring, which requires a continuous presence, not an occasional intervention of a "social auditor". The only true "independent monitoring" is by the people most affected, i.e., trade unions and community members. Finally, international governance is hampered by a fixation with a "business case" for socially responsible behaviour; which does not distinguish between the interests of shareholders and those of workers who have both common and competing interests with their employers.

C. Trade union recommendations for workplace and community

52. The results of this review should enable the Commission, its member States and major groups to reassert a people-centred model of development that meets the

needs of people and protects the environment. Our challenge is to find ways of working together to achieve this goal. Towards this end, the outcomes of this session should provide for the following.

1. **A clear link between poverty alleviation and decent employment**

53. Vision, political will and available capacity must be brought together to develop guarantees of decent work for the millions of workers who live in poverty and exclusion. This will require a new commitment of resources as well as policy, democratic governance and dialogue to define common goals. International institutions such as the World Economic Forum and WTO must address the need to globalize social justice. This review process must reinforce all of these aspects.

The International Textile, Garment and Leather Workers' Federation calls on countries of the South to take labour standards out of competition

54. Work is the best route out of poverty, but unprotected work can be a passport to permanent poverty, as seen in the textile, clothing and footwear industries. China and Mexico now dominate the American clothing market, but a job surge in those countries has not meant higher wages or rising labour standards for the their workers. In Mexico, the real minimum wage fell almost 50 per cent in the 1990s, while innumerable reports of unpaid wages and similar abuses have come out of China, according to ITGLWF (see http://www.itglwf.org/).

2. **A stronger commitment of the Commission on Sustainable Development to the goal of decent work**

55. This Commission review must confirm that poverty eradication depends on the creation of not just any work; the work must be of acceptable quality, allowing people dignity and personal fulfilment, with a measure of socio-economic security for themselves and their communities. Our conclusions can be guided in this regard by the ILO's, *Decent Work: Report of the Director General to the International Labour Conference, 87th session*, 1999.

3. **The value of joint action by building on occupational health and safety**

56. This review must encourage joint action at all levels, but particularly in the workplace. Trade unions and employers have developed extensive capacity for dialogue, cooperation and negotiations which can be extended to social and environmental questions at the local, national and international levels. This review must result in a challenge to industry to engage with social partners to engage in joint action. We urge the Commission to promote joint workplace health and safety committees as a model for joint action. Finally, the Commission must establish as a positive point that trade unions exert pressure for needed change, either alone or working in coalitions with other popular and mass membership organizations.

4. **Human health and sanitation and the HIV/AIDS/water connection**

57. The current review must draw attention to the connection between HIV/AIDS and water/sanitation, as AIDS hits hardest at countries and communities that lack access to basic services. Over half of the people newly infected, 11.8 million people, are between the ages of 15 and 24 years and live in countries without safe drinking water or hygienic sanitation facilities. It is unconscionable to allow such diseases to

spread for lack of "simple" needs like clean water. Sustainable development is impossible without a healthy population.

58. *Global unions "map" HIV/AIDS partnerships.* As trade unions at the local, national and international levels are now sponsoring hundreds of projects and campaigns to combat the HIV/AIDS pandemic, global unions have started an international mapping exercise to catalogue who was doing what and where. This "map" shows that much of the activity has occurred not at the international level, but in the regional activities of the organizations concerned. Not only does it serve as a useful reference tool for trade union organizations; it also provides a guide to those considering future engagements or activities in this field. (Enquiries are welcomed at http://www.hiv-aids@icftu.org.)

5. Consensus in workplace and community

59. Fixing today's problems requires a broad political consensus that includes trade unions, employers and other organizations in civil society — at the local, national, regional and international levels. Democratic governance can only be achieved on the basis of full involvement of the social partners in genuine dialogue, with a strong role for the State and public authorities. This review must issue a call for fair and balanced dialogue built on trust, confidence and full recognition of workers' rights. Trade unions can have a positive impact in this regard, as we have a history of constructive dialogue between the unions and management. Codes of conduct, consultation agreements, new strategies for the representation of the workers and the creation of international networks represent new avenues for enlarging relationships between industry leaders and trade unions. Collective bargaining will continue to move to the international level, and enlarge its scope to include such concerns as childcare, quality of employment, pensions, health and safety, discrimination at the workplace, benefits and services.

6. A commitment to freedom of association and individual rights

60. Recognizing the important role that trade unions play in the workplace and community, this Commission review should recommend a positive role for them, and seek commitment to stem violations of fundamental rights. Trade unions will continue to forge alliances with other groups, notably NGOs that share their belief in human rights and human services, as such alliances have proven to be a key element in successful campaigns concerning water and other public services. We believe that progress comes about when people are involved in their own development and defence of their own interests. Unemployment and poverty create fuel for unsustainable forms of production and consumption, while insecurity weakens the resolve of ordinary people to engage in change.

7. Public provision and regulation in water, sanitation or human settlement

61. This review will see that services associated with water, sanitation and human settlement play a central role in sustainable development, with access for all to quality services fundamental to the human dimension. This area has major implications for the 2004 review of poverty and exclusion, and the quality of government action. It must also consider how to reform the public sector in all the theme areas. Lessons can be drawn from such successful public water systems as those in Debrecen, Tegucigalpa, Odi, and SABESP (São Paulo State-owned water

company). International financial institutions must be encouraged to move more resources into the public sector, and to stop promoting privatization. Capital markets have now become more creative in devising new mechanisms for investment. The role of the private sector in general must be more clearly defined, as falling in the area of building new systems, and providing bricks, mortar and other infrastructure. However, the private sector is not equipped to integrate and be responsive to the myriad social issues that water supply and sanitation must deal with.

8. True partnerships for vital services

62. There is a growing awareness that the public sector must find new ways of meeting the Millennium Development Goals for water and other areas. A lack of financial resources presents the biggest obstacle, and perception remains that the private sector can make private capital flow more readily. There is considerable evidence to show that this does not occur to the degree claimed by its proponents. Therefore, more attention must turn to public finance mechanisms; e.g., water bonds, sub-sovereign guarantees to public utilities, etc. ODA will remain important, as will international financial institutions assistance, but these must not impose conditionalities that involve privatization.

63. Worker participation remains a key, as the vast bulk of the specialized knowledge for delivery of public services exists in the workforce. Not only are workers essential partners to change; they are also consumers, family members, and community activists. In addition, workers in industrial plants are the ones best able to assess and find solutions to unsustainable patterns of industrial consumption and pollution of water and sanitation. There is every reason to consult them.

9. Instruments to extend workplace gains in sustainable development for supply chains

64. Sourcing companies should require that suppliers and subcontractors observe minimum internationally recognized labour standards. Where companies use a code of conduct to implement this strategy, they should use the ICFTU/GUF (Global Union Federations) *Basic Code of Conduct covering Labour Practices* (1997) as a basis. The provisions of this code can be adopted by any company doing business internationally, whether in manufactured products or services.

10. Instruments of social protection and justice

65. The review at the current session of the Commission provides an opportunity to take action against the growing deficit in social protection around the world. It should draw attention to the majority of the world's population that has no form of statutory social protection, and consider ways to achieve worldwide progress towards four pillars of social protection: i.e., health care, unemployment insurance, pension and education for children. The world's economic system is globalized; it is now time to globalize social justice.

66. The Commission must ask for greater coherence and uniformity in the myriad of standards, procedures, and programmes, for stronger regulatory regimes nationally and internationally to re-establish standard-setting and administration as core government functions. In addition, it must call for independent monitoring to include workers and others, and counter the tendency to tie social responsibility to a "business case".

11. Addressing discrimination, exploitation and exclusion of vulnerable groups

67. This review should conclude with a call for equity as an important element of the social dimension. As concerns youth, for example, countries should be asked to ensure that youth are provided a secure and healthy future, including an environment of quality, improved standards of living and access to education and employment. Children everywhere, boys and girls alike, must be able to complete a full course of primary schooling and have equal access to all levels of education. This review must therefore call for greater content and support for efforts to provide the vulnerable groups everywhere with the keys to a sustainable future.

12. Multilateral institutions and instruments in the social dimension

68. Globalization requires appropriate international institutions and initiatives. The ILO, for example, can make important contributions to social dialogue and tripartite consultation, in its leading role as a standard-setting organization for the world of work. A priority must be the forging of a broad political consensus as the basis for a democratic system of governance, in which there is respect for fundamental rights of workers and citizens. For this to occur, global institutions such as the IMF, the World Bank and the WTO must cooperate more closely with the ILO and the rest of the United Nations system, to ensure that trade and natural resource play a positive role. Such objectives as debt relief, democracy, environmental protection, poverty eradication and decent employment can be achieved as part of a wider, far-reaching agenda to reach development and higher living standards for all people, in accordance with the objectives of the WTO. In addition, WTO agreements must not undermine the rights of democratic governments to conduct their own education, social welfare and public investment policies, and progress with due regard to the capacities of smaller and poorer countries, and developing countries. Environmental and social concerns must be incorporated fully and the scope of the Trade Policy Review Mechanism expanded to include relevant environmental, gender and social concerns, including respect for core labour standards, with involvement of the ILO.

69. *Global unions call on international financial institutions to promote social development.* Noting that the world economy is in a more precarious situation than it has been for years, Global Unions called on the IMF and World Bank, at their Spring 2003 meeting, to play key roles in designing and applying a global stimulus plan to provide decent employment and improve living standards for those of lowest incomes. (See: ICFTU, TUAC, GUF's, *A Global Stimulus Plan: Role of the IFI's to Avoid World Recession and Promote Social Development*, Statement, April 2003.)

13. Defining a leading role for Governments in sustainable development

70. The growth of corporate social responsibility and privatization of public services has seen a transfer of responsibilities away from Governments and their international agencies. Trade unions are therefore asking the Commission on Social Development to recommend a leading role for government, and a strengthened public sector. A reassertion of the role of government could only invigorate our common efforts to achieve sustainable development on behalf of the human beings who inhabit this globe.